

October 2, 2006: Sanchez Hosts Banking and Finance Summit at CHCI Conference

Improving Financial Literacy: Sanchez Invites Experts to Weigh In Sanchez Hosts Banking and Finance Summit at CHCI Conference

WASHINGTON, DC – This week, Hispanic leaders from across the United States visited the nation's capital to attend the Congressional Hispanic Caucus Institute's (CHCI) Annual Public Policy Conference at the Mayflower Hotel. Rep. Loretta Sanchez joined other members of the Congressional Hispanic Caucus (CHC), to lead discussions on issues of great importance to Latino communities.

Sanchez, Chairwoman of the Banking and Finance Committee for the CHC, invited experts to address the importance of financial literacy and, specifically, "best practices" in Hispanic communities.

"We know there is a lot of information out there tailored to the Latino community so they can learn how to manage their finances better – to balance their checkbook, save for college, make investments for retirement," said Sanchez. "Today I'd like to explore "best practices" and existing financial literacy programs that our community leaders can take back home and implement in their respective communities."

U.S. Department of Treasury representative Luz Figuereo explained that there are eight keys to building a successful and sustainable Financial Literacy Education program:

1. Focus on basic savings, credit management, home ownership and/or retirement planning
2. Tailor to target audiences, taking into account language, culture, age and experience
3. Local distribution channel that makes effective use of community resources and contacts
4. Follow up with participants to reinforce the message and ensure that participants are able to apply the skills taught
5. Establish specific program goals and use performance measures to track progress toward meeting those goals

6. Demonstrate a positive impact on participants' attitudes, knowledge or behavior through testing, surveys or other objective evaluation
7. May be easily replicated on a local, regional or national basis to have broad impact and sustainability
8. Stability to last as evidenced by factors such as continuing financial support, legislative backing or integration into an established course of instruction

Sanchez and the panelists also discussed the cultural and language barriers that exist in the Latino community. "Many of our people, particularly the generation that immigrated here, do not understand the American banking and finance system. They lack familiarity with the mortgage industry, concepts of building credit and investing."

Teaching the tools of money management, through well planned and executed financial literacy programs will be a key to the future wealth creation in the Latino community.

Participants in this year's panel were: Christine Diaz-Malone, Community Development Lending Manager Freddie-Mac; Luz Figueroa, Outreach Director for Financial Education, U.S. Department of Treasury; Alyssa Lee, Assistant Director of the Urban Markets Initiative Brookings Institution; Dara Duguay, Director, Office of Financial Education, Citigroup; David Henninger, Senior Vice President, Marketing, Sales and Operations for Sed de Saber, Retention Education; and Ron Meraz, Director, Merrill Lynch.

The following links include additional information on financial literacy programs and curriculums.

U.S. Department of Treasury maintains the "MyMoney.gov" website and 1-888-MYMONEY toll-free hotline that provides access to a wide variety of publications and tools that can assist consumers better understand their money - how to save it, invest it, and manage it wisely to meet important personal goals. In April 2006, FLEC published "Taking Ownership of the Future: The National Strategy for Financial Literacy." This national strategy assesses the current state of financial education efforts and outlines a plan to improve financial literacy across the country.

<http://www.mymoney.gov>

Freddie Mac has established a program through which lenders offer mortgages to borrowers who have completed at least an 18-month debt management plan through one of the program's participating counseling agencies. The debt management plans put families on a strict budget that requires a certain percentage of their income go to living expenses, with the remainder to pay down debts. This program allows families with impaired credit to qualify for secondary market eligible mortgages much faster than would otherwise be possible.

<http://www.freddiemac.com/singlefamily/credwks.html>

A Spanish language version is available at

<http://www.freddiemac.com/corporate/buyown/spanish/purchasing/hunting>

Citigroup believes that strong financial education programs raise the quality of life for individuals, families and institutions and strengthen communities around the world. The Citigroup Financial Education Program is a global, company-wide effort to identify, support and implement initiatives that help give individuals, families and communities the tools needed to make sound financial decisions.

<http://financialeducation.citigroup.com>

Retention Education, LLC is a workforce development company committed to the development and distribution of educational products that help Hispanic Adults improve their work skills and their daily lives. Sed de Saber® is a unique and innovative ESL program which utilizes an interactive, self-paced, and take home format to provide multi-sensory English language learning designed specifically for the Hispanic adult.

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